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JUN 12 1952

MEMORANDUM FOR: DEPUTY DIRECTOR (ADMINISTRATION)

SUBJECT: Obligation Procedure for Unvouchered Funds

REFERENCES: A. Comptroller's Staff Study on Obligations for Unvouchered Funds with Tabs Proposing Revision of CFR's
B. Deputy Comptroller's Memorandum of 9 June 1952, Subject: Field Obligation Procedure with Draft of Comptroller Circular #1

1. The proposed obligations system represented by References A. and B. is in general an excellent product which is long overdue. Recognizing that the perfection of such a system must be a matter of continuing development and study, this Office concurs in initiation of this system with certain qualifications.

2. I understand it is your desire to discuss Reference B., the proposed field procedure, in the course of your trip. As a matter of priority, therefore, my first comment concerns this portion of the proposal. I believe that matters involving the field as directly as this procedure should be fully considered by the Area Divisions before final conclusions are reached and I will solicit their views over the next few days. However, without the benefit of Division reaction, my concurrence in Reference B. is subject to the following considerations:

a. That initial installation be made on an experimental basis at the following Field Stations only: [REDACTED] (including [REDACTED])

b. That decision to extend this procedure to any other field installation be deferred until the results of a reasonable trial period have been studied at Headquarters.

c. That installation at these four stations be accomplished jointly by representatives of the CIA Comptroller and this Office. This arrangement will permit the resolution on the ground of the few minor details which this Office questions in this procedure.

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No Change in Class. ☐

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Class. Changed To: TS S **C**

Auth.: [REDACTED]

Date: 6 Nov 78

By: [REDACTED]

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3. Reference A.

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3. Reference A. concerns the Headquarters framework and location of responsibility. I have several questions concerning this portion of the proposal. However, these need not necessarily be finally resolved before proceeding with the above field action. My concurrence in Reference A. is subject to resolution of the following points:

a. Amend 2.0 c (1) as follows: ". . . after coordination with other appropriate offices. when appropriate . . ."

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b. Amend 2.0 c (2) as follows: "After ~~coordination~~, when ~~appropriate~~, Communicate through the appropriate office directly with field installations . . ." This suggestion arises from my strong belief that the integrity of the command chain must be maintained.

c. The second sentence of 2.0 c (2) is too broad and vague. I recognize the necessity for full coordination in these matters, but the regulation should be drawn to eliminate unnecessary coordination on minor details. A possible substitute might be: "Technical instructions on accounting, funding, and interpretation of Confidential Funds Regulations, initiated by other offices will be coordinated with the Comptroller."

d. There is a possibility that the language of 15.0 a. could be interpreted completely to by-pass the command responsibilities of the offices concerned. I believe that this matter is met adequately by the above amendment of 2.0 c (2). If there is any question on this point, I wish to request full discussion and resolution. An adequate resolution would be to add to this paragraph the words: "Subject to CFR 2.0 c (2)," assuming amendment as proposed.

e. Amend 15.0 b. as follows: "It will be the responsibility of each ~~allottee~~ office and of each sub-allottee within each office . . ."

f. It is suggested that the entire paragraph 15.2 b. be deleted from the regulation and made a part of an appropriate instruction as provided for in Tab A, paragraph 2.0 c (1). It is also suggested that when such instruction is written, certain needed changes be made in the instruction context so as better to provide for the needs of the covert offices.

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Acting Assistant
Director for Policy Coordination

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